

**JICHENG UMBRELLA HOLDINGS LTD:  
THE CHAIRMAN MUST BE SMILING ...  
ALL THE WAY TO THE BANK**

The history of Jicheng Umbrella Holdings Ltd () (Code: 1027, Main Board, The Stock Exchange of Hongkong Ltd), as outlined in this company's Global Offering Prospectus, dated February 3, 2015, is such that one must give credit to its Founder, Mr Huang Wen Ji (), for his courage and perspicacity, just 11 years ago.

Mr Huang Wen Ji is, today, 46 years old and, armed with only a secondary school education, at the age of 35 years, he determined to establish an umbrella factory in the People's Republic of China (PRC).

His umbrella factory, today, is among the largest of its kind in the country.

His bold move, in 1994, was despite the fact that he knew he would have thousands of competitors in the country, all nipping at his heels.

But he, also, knew that the PRC was the largest exporter of umbrellas in the world.

And he wanted his share of this pie.

Today, 11 years on since he founded Jicheng Umbrella, he can proudly state:

*'We were also the largest supplier of Plastic Umbrellas in Japan in 2013 in terms of sales volume, with approximately 43.1% of the market share. We were the third largest umbrellas and parasols manufacturer in the PRC in terms of sales volume in 2013, with approximately 2.0% market share and a total sales volume of 33 million units.'*

And all of this was accomplished in the relatively short period of time of 11 years.

**The Initial Public Offering (IPO)**

Jicheng Umbrella is Offering a total of 150 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from \$HK1.10 to \$HK1.60.

Investors of the Hongkong Special Administrative Region (HKSAR) of the PRC are being Offered 15 million Shares and the Company intends to Place 135 million Shares with well-heeled, International Investors.

At the midpoint of the Indicative Offer Price Per Share, being \$HK1.35, Management expects to net about \$HK174.80 million.

That amount of money will be utilised as follows, according to Page 267 of the Global Offering Prospectus:

1. Approximately, \$HK125 million, representing about 71.50 percent of the net proceeds, *'for increasing our production capacity by constructing a new factory upon obtaining the*

*necessary approvals’;*

2. Approximately, \$HK5 million, representing about 2.90 percent of the net proceeds, *‘for paying the outstanding balance of the consideration in relation to the construction and completion of the new 10-storey office building in our Yonghe Production Site with a gross floor area of approximately 10,782 sq.m. (square meters), which is expected to be completed in 2015’;*
3. Approximately, \$HK21.10 million, representing about 12.10 percent of the net proceeds, *‘for further expansion of our branded umbrellas by intensifying our marketing activities to promote our brand awareness both in the domestic and overseas markets’;*
4. Approximately, \$HK6.20 million, representing about 3.50 percent of the net proceeds, *‘utilised to strengthen our technical expertise and know-how to ensure continuous improvement of our products’;* and,
5. Approximately, \$HK17.50 million, representing 10 percent of the net proceeds, *‘for additional working capital and other general corporate purposes.’*

### **The Business**

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